OPTIONAL INSURANCE ASSIGNMENT

NOTICE: To receive credit, this optional assignment MUST be received by _______________________.

The value of this OPTIONAL individual assignment will depend on the score of your final exam as follows:

- 90 - 100+: 2 points
- 85 - 89: 3 points
- 80 - 84: 4 points
- 75 - 79: 5 points
- 70 - 74: 6 points
- 65 - 69: 7 points
- 60 - 64: 8 points
- 55 - 59: 9 points
- 0 - 54: 10 points

On separate sheets of paper, please clearly answer the following questions to the best of your own ability and in your own words. Be sure to show your work on all mathematical problems. You may consult your textbook & class notes for assistance in this individual effort... BUT refrain from using or copying anyone else's work!

1. Which economist is associated with the concept of "absolute advantage"? ... "comparative advantage"?
2. What is the formula for "producer equilibrium"? ... "profit maximization for inputs"?
3. Which nations comprise the G-10? ... G-8? ... G-7? ... G-5? ... G-2?
4. What is meant by an "exchange rate"? Give your own example.
5. What does the slope of a production possibilities frontier (PPF) reveal?
6. What causes a production possibilities frontier (PPF) to shift to the right?
7. How do you calculate the "gains from trade"? ... the "limits on the terms of trade"?
8. In terms of production possibilities frontiers (PPFs), give an example where it does not make sense for two nations to trade.
9. What is meant by "carrot and stick regulation"? ... "private regulation"? Give examples.
10. How does a "flow" concept differ from a "stock" concept? Give your own example.
11. Illustrate a Laffer Curve. (NOTE: What is on the vertical axis? ... horizontal axis?)
12. What does the "Laffer Curve" demonstrate?
13. What is meant by "arbitrage"? What is meant by "triangular arbitrage"?
14. Suppose that France can produce 150 televisions at one extreme of its PPF or 50 mini vans at the other extreme of its PPF; meanwhile Guatemala can produce 80 televisions at one extreme of its PPF or 20 mini vans at the other extreme of its PPF. What are the "limits of the terms for trade"?
15. What is meant by an "appreciation of the dollar in terms of euros"?
16. What is another way of expressing an "appreciation of the yen in terms of the dollar"?
17. Suppose that one dollar trades for 200 yen, and 400 yen trades for 8 francs. What is the implicit exchange rate between dollars and francs?
18. What is meant by "regulatory capture"? Give an example.
19. What are the three types of tax systems? Give an example of each.
20. What is meant by cross-subsidization? How did it relate to the telephone & airline industries?
21. What is meant by the "revolving door"? Give an example.
22. What is the Clean Air Act of 1990? What are the two views of it?
23. What is meant by the Latin word agio?
24. What is meant by the Japanese word amakudari?
25. What are three justifications for government intervention in a market?
26. What is meant by V.E.R. ... M.I.T.I. ... V.I.E. ... W.T.O. ... N.A.F.T.A. ... G.A.T.T.?
27. Which branch of macroeconomics is associated with the "Laffer Curve"?
28. What are the arguments (pro & con) related to protectionism?
29. In what three ways does international trade differ from trade at any other level?
31. Who is the "father of the deregulation movement in the U.S."? Who is the "father of public choice theory"?
32. Which politician started the deregulation movement in the U.S.? Which industry was targeted?
33. Illustrate the following four cases of international trade: closed economy, open economy, tariff, & quota.
34. Compare and contrast deregulation of the telephone and airline industries.
35. Describe how one determines the "limits on the terms of trade."
36. What is the formula for "cost minimization of an input"? ... "the least cost combination of inputs"?
37. What is meant by the G-67? What is meant by the G-20?
38. What is the rule of 72?
39. What is the Classical view of the economy? What is the Keynesian view of the economy?
40. What is Candarcet's Paradox? What is Arrow's Impossibility Theorem?
41. What is meant by new wave regulation? Give examples.
42. In the United States, what was the first regulated industry? What was the regulatory agency?
43. What is the formula for allocative efficiency? ... productive efficiency?
44. What is meant by the "principal-agent problem"?
45. What is meant by "government failure"? What is meant by "market failure"?
46. What is Coase Theorem?
47. What is the date and time of the final exam for ECON 2306?